RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7C-0297837

IN THE LONESOME REEF (WOLFCAMP) FIELD, IRION COUNTY, TEXAS

FINAL ORDER APPROVING THE MOST EFFICIENT RATE OF PRODUCTION AND CANCELLATION OF OVERPRODUCTION FOR THE SUGG FARMAR '20' LEASE, WELL NO. 2, LONESOME REEF (WOLFCAMP) FIELD, IRION COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on October 2, 2015, the presiding Examiners have made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the Examiners' report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that that the most efficient rate of production at the current time for the Sugg Farmar '20' Lease, Well No. 2, API No. 42-235-35456), Lonesome Reef (Wolfcamp) Field, is established at 175 BOPD.

It is further **ORDERED** that 9,700 BO of overproduction for the Compass Energy Operating, LLC, Sugg Farmar '20' Lease, Well No. 2, is hereby cancelled.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing of an application is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date Commission Order is signed.

Done this 17th day of November, 2015.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated November 17, 2015)